

31 July 2012

Nyota Minerals Limited ('Nyota' or the 'Company')

Quarterly Report to 30 June 2012

Nyota Minerals Limited (ASX/AIM: NYO), the gold exploration and development company in East Africa, is pleased to announce its Quarterly Report for the period ended 30 June 2012.

HIGHLIGHTS

Tulu Kapi Project, Ethiopia

- The Definitive Feasibility Study ("DFS") is progressing well and is on schedule for completion in the third quarter of 2012. Technical elements of the ongoing DFS were submitted to the Ethiopian Ministry of Mines ("MoM") in July to support Nyota's application for a Mining Licence;
- 14,650m infill drilling programme initiated with Wardell Armstrong International ("WAI"), aimed at converting a further 260,000 ounces of Inferred Resources to Indicated status by the end of Q4 2012 to support project finance is now 90% complete;
- Geological modelling of UNDP Target, adjacent to the main resource, demonstrates good continuity and highlights opportunity for further extensions to mineralisation and scope for an increase in the resource estimation before year end;
- Peak drill assay intercept in the Tulu Kapi Feeder Zone of 6.11 g/t Au over 17m reaffirms the Feeder Zone's potential to provide the significant high-grade component to future mine production;

Proximal and Satellite zones

- A 2.5km² gold-in-soil geochemical anomaly with coincidental rock chip samples of up to 7.2g/t and historical hard-rock mining has been identified at the Bunea North prospect, close to Tulu Kapi;
- Positive results from the Guji Saprolite drill programme;

Regional exploration

- First phase drilling at the Bendokoro Prospect indicates limited economic potential, but the presence of visible coarse gold and low grade background gold mineralisation in host rocks has led to the commencement of further soil sampling and mapping along the interpreted extension of the structure;
- A detailed fieldwork schedule is being planned for October 2012 to June 2013 based on results to date and previous airborne geophysical and regional soil geochemical sampling, in order to comprehensively explore the whole Brantham and Towchester licence areas ahead of further drilling;

Corporate

- Cash on Balance Sheet at end of quarter: A\$14.4m;
- This represents a reduction of A\$8.1m from the end of the prior quarter and excludes the GBP1.3m proceeds of the subscription by International Finance Corporation received in July 2012, and
- Norman Ling was appointed as Non-executive on 21 June 2012. Mr Ling has held a series of appointments at the UK Foreign and Commonwealth Office in a career spanning more than 30 years. Mr Ling's last post was as British Ambassador to Ethiopia, Djibouti and the African Union from 2008 to 2011, when he retired from government service.

Richard Chase, Chief Executive Officer commented, *"The last quarter has continued to be exceptionally busy for Nyota as we work towards the finalisation of the DFS on our Tulu Kapi gold Project. The in-fill drill programme has progressed quicker than we anticipated, which is a huge credit to our team and to the contractor.*

Tulu Kapi remains the greatest call on our resources and our cash but following the completion of the DFS this will be significantly reduced until such time as the mining license is issued."

TULU KAPI PROJECT

Mining Licence Application

Following extensive work during the quarter, Nyota announced on 6 July that it had submitted the technical elements of the on-going DFS to the Ethiopian Ministry of Mines ("MoM"). The documents submitted to the MoM will enable it to commence its technical review of the Tulu Kapi project, which is a pre-requisite for the terms of the Mining Licence to be agreed, while the economic parameters for the DFS, which should support the issue of a Mining Licence, are finalised.

The JORC-Compliant Mineral Resource announced in March 2012, comprising 0.83Moz of Indicated Resource and 0.84Moz of Inferred Resource, will form the basis of the DFS to be submitted to the MoM in the third quarter of 2012 in support of the Company's Mining Licence application.

The Board believes that negotiations with the MoM have progressed well and remains expectant of securing a Mining Licence for Tulu Kapi in the second half of 2012 and of achieving its current development timetable aimed at first gold production in the fourth quarter of 2014.

Resource Infill Drilling

As Inferred Resources cannot be converted to Mineable Reserves under the JORC code and in parallel with the DFS drilling, Nyota has commissioned Wardell Armstrong International ("WAI") to produce an infill drilling programme designed to upgrade the most significant areas of Inferred Mineral Resources to "Indicated" status. These areas are located up to a depth of up to 200m and found within the existing conceptual open pit outline. This should result in significant upside to the DFS and confirm an initial mine life of around 10 years; ahead of project financing. It should be noted that drilling has also identified mineralisation beyond this pit outline which may be included in subsequent resource estimations.

The infill drilling programme comprises 130 vertical drill holes for a total of 14,650m and is aimed at converting an estimated 260,000 ounces of gold to an Indicated Resource status. The drilling programme is now 90% complete and assay results will be used in an updated Mineral Resource statement and the Ore Reserve statement before the end of 2012.

UNDP Target

The UNDP target is located north of and adjacent to the main Tulu Kapi resource. Mineralisation is contained in a NE-SW trending corridor dipping at 25-30 degrees to the northwest and similar in morphology to the shallow Tulu Kapi lodes.

An updated geological model demonstrates good continuity and provides the evidence necessary to warrant further drilling to test the strike extensions to the deposit. At the same time the model has been submitted to WAI for its consideration in the next resource estimation and to confirm an infill drill programme to upgrade the resource from an Inferred to an Indicated status. This drilling will be scheduled for some time in Q4.

Feeder Zone

As part of the DFS, the diamond drill hole TKMT-001 was drilled to a final depth of 468.57m to provide core for metallurgical testing, and at depth to test the continuity of the deep high grade mineralisation which has not previously been defined in this part of the deposit. The drilling and assay results confirm the strike continuity of the deep high grade mineralisation by 60m to the SW and 40m (up dip) SE of previously intersected deep high grade mineralisation.

Only mineralisation in the Feeder Zone was processed at Tulu Kapi and dispatched for gold assay as the balance of the drill core was sent directly to independent laboratory for metallurgical test work. Two mineralised intercepts were identified, the first returning a peak grade of 6.11 g/t au over 17m and the second deeper zone returning a peak grade of 1.38 g/t au over 8.54 m.

The evidence of further extensions of mineralisation over substantial widths and at grades exceeding 6g/t Au reaffirm the Company's view that ultimately the Feeder Zone has the potential to provide a significant high-grade component to future mine production.

Shareholders are aware that drill rigs were reallocated to DFS drilling in order to support the application for the conversion of the current Exploration Licence to a Mining Licence but this recent high-grade drill result supports the Company's intent to assign at least one diamond drill rig to further Feeder Zone drilling in Q4.

PROXIMAL AND SATELLITE TARGETS

Despite the focus on Tulu Kapi, good progress has been made this quarter on the Proximal and Satellite exploration areas. However, there are some major targets that still require investigation.

The selection of targets for follow-up during the period has been driven by the need to plan the final locations of key elements of infrastructure for the Tulu Kapi mine, including the processing plant, tailings storage facility and access roads. As a result, additional close-spaced gold in soil sampling has been completed and some limited sterilisation drilling undertaken where targets are located "under" preferred infrastructure sites (Guji Getere Tulu Kapi; Ankore). One of these holes exhibits

10m of albitized syenite with pyrite and quartz veins that will be followed-up if the samples contain anomalous gold.

Thereafter the emphasis remains the completion of sufficient exploration and preliminary evaluation to demonstrate to shareholders that the targets within the Company's Proximal and Satellite exploration licences have obvious potential to provide for an extension of mine life well beyond the 10 year initial programme planned for Tulu Kapi.

The Tulu Kapi Trend

The Tulu Kapi trend comprises a chain of topographic highs formed by a series of granitoids (mainly sericitised syenite), many of which are anomalous in gold. In addition to the Tulu Kapi and UNDP resources, these targets include Kelley and Chalti.

830 soil samples and 119 grab samples have been taken during the quarter and, combined with historical data, have highlighted 7 targets areas warranting detailed follow-up.

Kelley Syenite

A mafic-rich syenite with numerous quartz vein and pervasive alteration. A campaign of rock chip sampling and trenching has been undertaken.

Chalti Syenite

A geophysical survey and reappraisal of the available data, including drill core, was undertaken at the end of 2011 / start of 2012. This has been followed by detailed soil sampling over the weathered ground southeast of the main Chalti massif. Some additional fences of vertical reverse circulation drillholes are planned to test the target further.

The Ankore Trend

The Ankore Trend is defined based on the regional geophysical surveys as a northwest trending series of magnetic highs and lows running parallel to the Tulu Kapi trend of granitoids.

Buneya North and Extension

In-fill soil sampling has defined an anomaly of greater than 45ppb gold-in-soil covering an area of approximately 2.5km² (peaking at 9.3g/t gold in soil) underlain by diorite, granite and meta-sediment, subject to shear-type deformation and intense alteration.

Rock chip samples containing a peak of 7.2g/t gold plus anomalous zinc and copper were collected proximal to a site of historical small scale exploratory hard-rock mining over an area of 200 meters by 400 meters. Gold is associated with quartz veining and pyrite mineralization in sericitised and silicified sheared host rocks. Mechanical trenching and an initial drill programme are planned.

An initial diamond drilling programme is planned for late 2012 or early 2013.

The Guji-Komto Trend

As reported in the quarterly report to 31 March 2012, the Guji gold-bearing saprolite is a small portion of a larger, 2.5km - 2.8km long linear geochemical anomaly, extending from Komto in the south to Guji in the north coincidental with a meta-sedimentary / meta-volcanic belt including

mineralized ferruginous schists and limonitic quartz breccia. The gossan bodies are lenticular, typically 100m wide and several hundred meters long.

Guji Saprolite

The first phase Guji drill programme is complete, with 64 holes drilled for a total of 5,381m. Sample assays from nine of the 64 holes are pending. Drilling thus far covers only a 600m portion of the Guji gold-in-soil anomaly, with the anomaly open for 700m to the north, and 800m to the south.

This initial drill programme was designed specifically to test the scope for the quick and low-cost development of additional easily accessible resources to feed into the future Tulu Kapi plant from mineralisation found in near-surface saprolitic mineralisation. The programme has concluded the following:

- economic intersections of mineralised saprolite exist (as previously announced on 11 June 2012);
- mineralisation is found where gold in soil geochemical anomalies are coincident with ground geophysical targets generated by the resistivity geophysical survey completed in late 2011; and
- anomalous gold in soil geochemistry occurs for a further approximate 800m south and 700m north of the current drill zone which is expected to return further mineralised gold intersections once drilled.

A second phase of shallow reverse circulation drilling is being planned for late 2012, after the rainy season, aimed specifically at the extensions to mineralisation defined by the geophysical and geochemical surveys.

Komto

A road has been constructed to the Komto meta-sediment target, the southernmost extension of the prospective Guji-Komto Trend. Subject to trenching, reverse circulation drilling to confirm the depth extent of mineralization is planned and the drill pads prepared. Drilling expected to be undertaken in before the end of 2012.

REGIONAL EXPLORATION – NORTHERN BLOCKS

Very limited field work is possible during the rainy season so the emphasis has turned to data compilation and desktop studies.

Bendokoro

As previously reported, 12 holes (2,244m) were drilled at the Bendokoro prospect in the first phase of drilling targeting rock chip and trench intersections coincidental with a complex but distinct NW-SE lineation evident from the airborne geophysical survey conducted by Nyota in late 2010.

All sample assays have been received and the results analysed.

Two distinct styles of gold mineralisation are observed: the first is associated with pyrite and rare chalcopyrite sulphide mineralisation and sericite alteration of the meta-volcanic and schist host

rocks and is typically in the range of 0.1 – 1.0 g/t (for example BKBH008: 9.5m at 0.45g/t; BKBH009: 5.0m at 0.54g/t; BKBH10: 2.0m at 0.41g/t;BKBH001: 5.4m @ 0.44g/t) and the second is associated with silicification and quartz veining. The latter includes the visible gold noted in borehole BKBH-003 (Bendokoro West) (assayed at 2.15g/t Au over 7m, including a peak of 11.65g/t Au at 153m-154m depth) and borehole BKBH-005, drilled to intersect the depth extension of the Bendokoro East target, assayed at 100 g/t over 0.64 m.

In addition, elevated silver values have been noted in samples taken from boreholes on the eastern anomaly.

The origins (“protolith”) of the Bendokoro East gossan, which assayed up to 10.2g/t in rock chip, was not obvious in the boreholes drilled beneath it and therefore remains enigmatic.

It is clear from the 2011/12 fieldwork that the Bendokoro target is gold-bearing and that mineralisation is associated with epithermal alteration of preferential host rocks proximal to a regional shear zone. Drilling results from the central section are encouraging but narrow widths and poor continuity indicates low economic potential.

However, as the target area is “pregnant” with gold the potential exists along shear extensions for more significant accumulations follow-field work has therefore already commenced. This comprises detailed soil sampling to the north and south of the main Bendokoro gold-in-soil geochemical anomaly and outcrop, mapping and sampling focusing on the western fault zone and associated silica alteration and sulphide mineralisation; a strike extent over more than 1km. In addition, the Bendokoro model will be extended to similar volcano-sedimentary terranes and structures elsewhere in the Northern Block licenses.

CORPORATE

Corporate Governance

The Company took another large step forward in terms of corporate governance with the appointment of Norman Ling as independent Non-Executive Director on 21 June 2012.

Mr Ling has held a series of appointments at the UK Foreign and Commonwealth Office in a career spanning more than 30 years. Mr Ling's last post was as British Ambassador to Ethiopia, Djibouti and the African Union from 2008 to 2011, when he retired from government service.

The Board believes that the wealth of diplomatic and relevant regional experience that Mr Ling brings with him, most recently in East Africa and Ethiopia, should serve Nyota well in building on its good working relationship with the Ethiopian government and in moving towards full-scale development of the Tulu Kapi mine.

During the quarter the Company cancelled the following option series previously issued to directors and senior management:

- 3,933,334 options exercisable at 42 cents on or before 31 December 2015, and
- 3,933,332 options exercisable at 50 cents on or before 31 December 2015.

These options were cancelled for no consideration. There are no remaining options on issue with the above terms and conditions.

Placing

The Company announced on 21 June that International Finance Corporation ("IFC") had subscribed for 21,727,650 new ordinary shares in the Company at 6 pence per ordinary share (the "Subscription").

The placing announced by Nyota on 3 February 2012 (the "Placing") was closed prior to IFC completing their investment approval process. Approval was received to undertake the Subscription on the same terms as those investors that participated in the Placing, in accordance with the agreement signed and announced at the time of IFC's original investment in Nyota.

Following the Subscription, IFC now hold 13.2% of the Company's issued share Capital.

Cash

Nyota had cash of A\$14.4 at the 30th June.

The high rate of spending during the quarter is directly attributable to the work required for the DFS, and in particular the drilling of in-fill holes, which because they are in-filling between existing holes can typically be achieved more quickly than when drilling virgin areas, and the more careful and costly work required for geotechnical and hydrological investigation holes.

In-fill drilling and DFS work continued throughout July but the rate of cash burn should fall thereafter and the general focus in Q3 is on completing desktop studies and analysis and advancing the mining license application.

Health and Safety

Nyota recognizes that the health and safety of its personnel is fundamental to the success of its operations. During the last quarter, with the pressure on drilling activities at the Tulu Kapi project, several lost time injuries were recorded. The Company is committed to learning from these incidents and adapting operational methods appropriately. Nyota strives to continually improve the health and safety of its personnel.

For further information please visit: <http://www.nyotaminerals.com> or enquire to:

Richard Chase (CEO) / Anthony Rowland (Business Development)

Nyota Minerals Limited

+44 (0) 20 7400 5740

info@nyotaminerals.com

NOMAD

Richard Morrison / Jen Boorer

RFC Ambrian Limited

+44 (0)20 3440 6800

BROKER

Guy Wilkes
Ocean Equities Limited
(+44) (0) 20 7786 4370

BROKER

Rory Scott
Mirabaud Securities LLP
(+44) (0)20 7878 3360

FINANCIAL PR

Jos Simson / Emily Fenton
Tavistock Communications
(+44) (0)20 7920 3150

Competent Persons

The technical exploration and mining information contained in this Announcement has been reviewed and approved by Mr D Hage Pr.Sci.Nat, Chief Geologist for Nyota Minerals Limited. Mr Hage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Note for Mining and Oil & Gas Companies, 2009. Mr. Hage is an employee of Nyota Minerals Limited and is a Member of the South African Council for Natural Scientific Professions (SACNASP). Mr Hage consents to the inclusion in this Announcement of such information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

NYOTA MINERALS LIMITED

ABN

98 060 938 552

Quarter ended ("current quarter")

30 JUNE 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(6,949)	(21,641)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	14	124
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(8,070)	(25,334)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(73)	(570)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		69
1.12 Other (provide details if material)		
Net investing cash flows	(73)	(501)
1.13 Total operating and investing cash flows (carried forward)	(8,143)	(25,835)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(8,143)	(25,835)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	14,456
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – capital raising costs	(64)	(444)
	Net financing cash flows	(64)	14,012
	Net increase (decrease) in cash held	(8,207)	(11,823)
1.20	Cash at beginning of quarter/year to date	22,536	25,633
1.21	Exchange rate adjustments to item 1.20	103	622
1.22	Cash at end of quarter	14,432	14,432

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	311
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	5,200
4.2	Development	
4.3	Production	
4.4	Administration	1,800
Total		7,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,071	2,037
5.2	Deposits at call	13,361	20,499
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		14,432	22,536

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases				
7.3 +Ordinary securities	639,073,263	639,073,263	N/a	N/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	5,300,000	-	\$0.11	30/9/2012
	1,280,000	-	\$0.13	31/12/2012
	7,000,000	-	\$0.15	31/12/2012
	250,000	-	\$0.17	30/06/2013
	1,250,000	-	\$0.31	30/06/2013
	3,933,334	-	\$0.35	31/12/2015
	4,000,000	-	GBP0.23	31/01/2016
	1,700,000	-	GBP0.175	30/06/2015
	1,800,000	-	GBP0.20	30/06/2015
	2,500,000	-	-	30/06/2015
	1,200,000	-	GBP0.08	20/06/2015
7.8 Issued during quarter	1,200,000	-	GBP0.08	20/06/2015
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter	3,933,334 3,933,332	- -	\$0.42 \$0.50	31/12/2015 31/12/2015
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 
Finance Director

Date: 31 July 2012

Print name: Michael Langoulant

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.